GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4559
ANSWERED ON:23.12.2005
LOANS UNDER SGSYS
Nedurumalli Janardhana Reddy Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry of Rural Development has requested the Reserve Bank of India to take action against the branches of banks with zero lending and performing poorly in loans under the Swarnajayanti Gram Swarojgar Yojna Scheme(SGSYS) ;

(b) if so, whether the Government has identified such branches ;

(c) if so, the precise action taken by Government against those branches for abysmal performance and the steps taken to tone up those branches; and

(d) the targets fixed for disbursement of loans by those branches during the last two years and the achievement therefrom?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE(SHRI S.S.PA1ANIMANICKAM)

(a)&b) : Yes, Sir.

(c) : The Reserve Bank of India convened a meeting with Chairmen/Managing Directors of Scheduled Commercial Banks in April, 2005 and reviewed the performance of these banks and the branches concerned. The Government also instructed the Public Sector Banks to ensure that all branches achieve targets under Swarnajayanti Gram Swarojgar Yojna Scheme (SGSY).RBI ana NABARD have instructed Commercial Banks and Regional Rural Banks/ Cooperative Banks respectively to initiate concrete steps to scale up the pace of credit flow under the programme of SGSY. Banks were also advised to consider proper delegation of powers to the Branch Managers for sanction of loans without a need to refer to higher authorities.

(d) : Under SGSY programme, the Government of India fixed State-wise targets for disbursement of loans by institutional agencies which is being allocated amongst different institutions at the state level and branch-wise allocations are made at the respective Zonal/State level of the banks.The branch-wise information about targets and achievements for last 2 years is not readily available.